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Chapter 15. Contracts--Franchises--Permits

Sec. 15.1. City may perform public work.

The Council shall have power to do any public work or make any public improvement by the employment of the necessary labor and the purchase of the necessary supplies and materials with separate accounting as to each improvement so made, or to do such work by contract duly let after competitive bidding. Where competitive bids are secured, the city, or any city department qualified to do the work, may enter a bid on an equal footing with other bidders. The Council shall also have power to do any public work or make any public improvement under any legally constituted plan under which the labor is furnished by any other governmental unit, department, or agency of the United States or the State of Michigan, or which is wholly or in part financed by them or either of them.

Sec. 15.2. Plans and specifications.

Except as otherwise provided in this charter the responsibility for the preparation of plans and specifications, estimating of the cost, advertising for bids, supervision and approval of the work upon or for any public work or public or special improvement is vested in the City Manager.

Sec. 15.3. Contracts.

Whenever it becomes desirable for the city to enter into a contract with a second party for any purpose whatever, such instrument shall be drawn or approved as to form by the City Attorney and certified to by the Clerk as to sufficiency of funds. Copies of all contracts shall be filed in the office of the Clerk.

Sec. 15.4. Modifications in contracts.

When it becomes necessary in the prosecution of any work or improvement done under contract to make alterations or modifications in such contract, such alterations or modifications shall be made only upon resolution of the Council. No such order shall be effective until the price to be paid for the material and work, or both, under the altered or modified contract shall have been agreed upon in writing and signed by the contractor and the City Manager upon authority of the Council, and a copy thereof and of the proceedings authorizing such alteration or modification certified by the Clerk, attached by the Clerk to the original contract on file in his office.

Sec. 15.5. Franchises.

All irrevocable public utility franchises and all renewals, extensions and amendments thereof shall be granted only by ordinance. No such ordinance shall be adopted before thirty (30) days after application therefor has been filed with the Council, nor until a full public hearing has been held thereon. No such ordinance shall become effective until it has been submitted to the electors and has been approved by three-fifths of the electors voting thereon. No such ordinance shall be submitted to the electors at an election to be held less than sixty (60) days after the grantee named therein has filed its unconditional acceptance of such franchise, and it shall not be submitted to a special election unless the expense of holding the election as

determined by the Council shall have been paid to the Treasurer by the grantee. No exclusive franchises shall ever be granted and no franchise shall be granted for a longer term than thirty (30) years. No such franchise shall be transferable, directly or indirectly, except with the approval of the Council expressed by ordinance.

Constitution reference--Franchises, licenses limited to a term of thirty years, Art. VII, § 30.

Sec. 15.6. Control and revocation.

The Council shall cause to be instituted such actions or proceedings as may be necessary to prosecute a public utility company for violations of its franchise, the city charter, or ordinances of the city, and may revoke, cancel, or annul all franchises that may have been granted by the city, which, for any reason, have become inoperative, illegal, or void and not binding upon the city.

Sec. 15.7. Provisions stated not to be exclusive.

The enumeration and specification of particular matters in this character which must be included in every franchise or grant shall never be construed as impairing the right of the council to insert in such franchise or grant any other and further matters, terms, or conditions as may be within the power of the city to impose or require and which the Council shall deem proper to protect the interests of the people of the city.

Sec. 15.8. Right of regulation.

All public utility franchises granted after the adoption of this charter, whether it be so provided in the granting ordinance or not, shall be subject to the right of the city:

- (a) To repeal the same for misuse, or nonuse, or for failure to comply with the provisions thereof;
- (b) To require proper and adequate extension of plant and service and maintenance thereof at the highest practicable standard of efficiency;
- (c) To establish reasonable standards of service and quality of products, and prevent unjust discrimination in service or rates;
- (d) To require continuous and uninterrupted service to the public in accordance with the terms of the franchise throughout the entire period thereof;
- (e) To impose such other regulations as may be determined by the Council to be conducive to the safety, welfare, and accommodation of the public.

Sec. 15.9. Regulation of rates.

All public utility franchises shall make provision therein for fixing rates, fares, and charges, and for readjustments thereof at periodic intervals at the discretion of the Council. The value of the property of the utility used as a basis for fixing such rates, fares, and charges shall in no event include a value predicated upon the franchise, goodwill or prospective profits.

Sec. 15.10. Revocable permit.

Temporary permits for public utilities, revocable at any time at the will of the Council, may be granted by the Council by ordinance on such terms and conditions as it shall determine, provided that such permits shall in no event be construed to be franchises or amendments to franchises.

Sec. 15.11. Use of streets by utility.

Every public utility franchise shall be subject to the right of the city to use, control, and regulate the use of its streets, alleys, bridges, and public places and the space above and beneath them. Every public utility shall pay such part of the cost of improvement or maintenance of streets, alleys, bridges, and public places, as shall arise from its use thereof and shall protect and save the city harmless from all damages arising from said use; and may be required by the city to

permit joint use of its property and appurtenances located in the streets, alleys, and public places of the city, by the city, and other utilities insofar as such joint use may be reasonably practicable and upon payment of reasonable rental therefor; provided, that, in the absence of agreement, upon application by any public utility, the Council shall provide for arbitration of the terms and conditions of such joint use and the compensation to be paid therefor, which award shall be final.